



# **Examiners' Report June 2023**

**GCE Business 9BS0 03**

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## Introduction

This paper tests candidates' knowledge and understanding across themes 1 to 4, as well as their application, analytical and evaluative skills. The questions which begin with the command words 'assess' or 'evaluate' are designed to encourage candidates to write coherent chains of reasoning with balance and provide a judgement or recommendation.

The business context for the paper is the UK car market and businesses operating in this market. This was shared with centres in November 2022 to enable candidates to undertake research on:

- Current trends in the UK car market: prices; consumer tastes and preferences (eg style, colour); growth of electric car sales.
- The markets and competitive environment facing car manufacturers, car dealers and car servicing businesses.
- Resource management in the car industry.
- Managing people in the car industry.
- Entrepreneurs and leaders in the UK car market.
- Global and external influences on the car market.

The paper was, on the whole, well answered by candidates, with many able to make use of the contexts provided in order to answer the questions. More successful candidates were also able to draw upon their own research findings in order to write balanced arguments with logical chains of reasoning, whilst making effective use of the contexts in the paper. Despite being given advance notice of the main topics being assessed, some candidates were let down by a lack of accurate knowledge and understanding of some of the topics (FDI, entrepreneurial roles, CSR in particular) or were unable to apply their knowledge to the contexts or business in question and found aspects of the paper challenging.

## **Question 1 (a)**

This question was generally accessible and attempted by all candidates. The most common responses focused on economic variables or consumer trends affecting sales forecasts. Some candidates focussed on sales/demand and didn't link this to sales forecasting. They struggled to answer the question and this limited the marks awarded. A further issue in this question was candidates making little use of the data from the extracts and these responses lacked development. Many candidates did not offer any counterbalance in their response and therefore could not achieve higher level 3 marks.

1 (a) Assess **two** factors which might affect the accuracy of UK new car sales forecasts.

(8)

Sales forecasts are predictions made about the number of products/services sold by a business, using past data and information.

One factor that may affect the accuracy of sales forecasts would be the ~~changes~~ external changes, things like ~~flor~~ fluctuating exchange rates and higher energy costs ~~will not~~ may not be accounted for when predicting sales forecasts for the future. The sales forecasts of new cars may say that there would be an increase however the rising energy costs and changing exchange rates will lower the number of cars bought by consumers because they have less money/disposable income to be able to buy a new car, so many buy a cheap second

new hand car.

Another factor that may effect the Sales forecast would be a change in consumer trends, this may affect it because customers will be changing their likes and dislikes of certain characteristics of cars (like the colour, type - electric, hybrid..., Size). So the changing consumer trends may effect the sales forecasts as they are very unpredictable and not measurable, so accuracy will be decreased and not give a good estimation of where the sales will be in the future.



Level 3, 6 marks.

Marks awarded for assessing two factors affecting the accuracy of the UK new car sales forecasts and demonstrating accurate knowledge/understanding. Some logical chains of reasoning and response is supported by some use of the context provided in the extracts. However, no counterbalance is provided by the candidate.



Knowledge can be demonstrated by defining the key term 'sales forecasts' at the beginning of a response or can be achieved by showing understanding of how the factors affect the accuracy of the sales forecasts.

## Question 1 (b)

On the whole candidates answered this JIT question well, with many candidates able to provide balanced responses and an attempted supported judgement. Application was generally strong with candidates being able to draw on information from the extracts to support the arguments they were making. Weaker candidates were not able to provide accurate definitions and regularly defined it as 'stock arriving just in time' which did not prove a full understanding of the concept. Some candidates concentrated on the finished goods rather than on stock for the production process, which did not address the question. Some candidates provided the advantages of JIT, without any counter argument and candidates who did provide balance didn't always use any application so many responses were quite generic. Quite often, supported judgements added little or no overall value to the response, offering little else to the point already made.



(b) Using the data in Extracts A and B, assess the importance of just in time (JIT) management of stock for UK car manufacturers.

(10)

In Extract A, the demand for new Vehicles could possibly be affected by many factors. For example, fluctuating exchange rates, rising energy and fuel costs and so forth. Just in time Stock management is a type of ~~the~~ resource management that only produces for the demand received.

Just in time Stock management is important because the demand could fluctuate ~~at~~ many times before ~~the~~ production begins. This ensures that car manufacturers don't waste stock and spend money on production when they don't need to.

In Extract B, Battery electric vehicles (BEV) have seen an increase in their market share from 2021 to 2022. This has increased from 7.7% to 16.1%. This means that Just in time stock management is important because it can deal with the increased demand of its

Produce as shown by the 78.7% increase in sales from 2021 to 2022 sales. JIT management is extremely important for car manufacturers as this leads to a cut in costs as they don't waste stock <sup>and a</sup> cut in production times as they only produce what they need to, not more or less.



**ResultsPlus**  
Examiner Comments

Level 2, 4 marks.

Marks awarded for elements of knowledge/understanding with an attempt at chains of reasoning (not wasting stock). The candidate has attempted to use context from the extracts in their response.



**ResultsPlus**  
Examiner Tip

The command word 'assess' invites a balanced response from candidates. In this case, the importance of JIT. Make sure you are contrasting the concept in the question so that assessment is comparative. Always use the extract of information to support your knowledge.

(b) Using the data in Extracts A and B, assess the importance of just in time (JIT) management of stock for UK car manufacturers.

(10)

Just in time management of stock refers to stock that is not held on site, but rather delivered just in time for the production process to begin.

JIT management of stock is extremely important for UK car manufacturers. This is because it minimises waste products by ensuring no extra stock is held - unlike buffer stock. This is good because ~~if~~ if the car components become obsolete, they do not have cash tied up in stock that cannot be sold. ~~And although it is important to mention it is unlikely that most car manufacturers~~ Therefore, they reduce waste and ~~significantly~~ increase efficiency, ~~the profit being increased into the company with more stock, as~~ as the fixed costs are spread across a larger output, reducing cost per unit. ~~As~~ As a result of lowered costs, the firm can choose to keep profit margins wide or reduce costs for consumers and see an increase in demand. Therefore, the benefit of using JIT is endless for a UK car manufacturer. Although, ~~it is important to mention it is unlikely that stock for car manufacturers would be obsolete so far as~~ by having a JIT stock management system, it means a car manufacturer cannot respond to a sudden increase in demand very well. This is particularly true for electric vehicle manufacturers, as demand seems to be increasing - in fact from 2021 to 2022 demand sales increased ~~by~~ by 78.7%. It is difficult for a manufacturer using JIT to respond to such an increase as they won't have immediate access to supply.

A drawback of using JIT is that a disruption / unreliable supplier could quite drastically cause a halt in production for



the manufacturer. This is because the manufacturer completely relies on the supplier to be on time with the stock. It is ~~A~~ possible that perhaps the supplier faces external issues or perhaps is just unreliable. <sup>if a</sup> <sup>if supplier doesn't provide on time</sup> ~~result~~ <sup>if supplier doesn't provide on time</sup>, it will directly impact - and halt - the production process. ~~Therefore~~

This will cause a delay in supply and therefore ~~also~~ cause increased lead times for consumers. This was seen in the Covid era, where there was a ~~late~~ delay in supply of microchips which caused lead times of up to 18 weeks. ~~This~~ This is likely to lead to unsatisfied customers who will turn to other manufacturers or perhaps the second hand car market.

Also, if the supplier does prove to be unreliable it is difficult for the firm to change suppliers due to the nature of the car market - manufacturers usually have specialised supplied components and changing supplier could cause issues with having to redesign. Again, this will impact consumers in several ways, e.g. servicing garages and the car repair market will find their components for this manufacturer become obsolete, and they have to re-invest in new ~~pro~~ components. ~~This~~ Consequently this is likely to tarnish a manufacturer's brand image. ~~\* However~~ However, there are several cost-reducing benefits of using JIT. ~~For example~~ Although it is risky, it can pay off. For example, there is no stockholding required so this saves money. In addition, whatever room the manufacturer does have available for stock can be put to more productive use.

In conclusion, car components are unlikely to become obsolete quick, and they most certainly aren't perishable, so using buffer stock could be less risky, as it means consumer demands are always met. Although there is a much less opportunity cost when using JIT, and it is used by Toyota in their production system, which is one of the most lean production systems in the car industry - it combines between Jodika and JIT management. Therefore if it's successful for Toyota it likely is here, too.



Level 2, 8 marks.

The candidate demonstrates accurate chains of reasoning (reduced waste/cost per unit) and the response is balanced and contextualised. An attempt is made at a supported judgement but further development is required to achieve a higher level 4 mark.

## **Question 1 (c)**

This question proved challenging for candidates, with many not fully understanding the concept of Foreign Direct Investment (FDI). There was little focus on 'growth of business in the UK car industry' as commanded by the question. Some candidates turned the question around by writing about the UK investing in overseas markets. Those responses that did focus on the question most often ended their chains of reasoning with 'increased profitability and market share'. In some responses the benefits and drawbacks of FDI were adequately explained but not fully linked back to the specific question. Information from the extracts was often copied rather than used within the response to add value. Very few candidates balanced their response or provided an appropriate evaluation to access higher level marks.

(c) Assess the likely impact of increased foreign direct investment (FDI) on the growth of businesses in the UK car industry.

(12)

Foreign direct investment (FDI) is when a business invests into another country to build offices or factories there to be able to operate there. A positive impact FDI can have on companies such as Jaguar Land Rover is that they could FDI to a foreign country such as Indonesia and be able to reduce costs as the production costs ~~would decrease~~ are lower there than in the UK. This would also ~~all~~ make them part of the ASEAN trade bloc and allow them to trade freely to more countries. Therefore FDI would help the UK car industry grow further than just the UK to increase market share.

However, a drawback of increased FDI on the growth is that the UK car industry is renowned for having high quality car companies such as Jaguar, Land Rover and Rolls Royce. If they were to FDI to a low labour costing country the ~~chances~~ chances of quality decreasing are quite high. This could then make the UK car industry damage its reputation and seen unethical to a certain extent which therefore would not help the UK



Car ~~that~~ industry grow.

Overall, I believe that ~~some~~ for some car companies it's worth it such as Toyota as they are competitive with ~~the~~ companies such as Peugeot and Vauxhall so they would need to decrease costs. However for a car company such as Land Rover they it would be best if they didn't ~~of~~ FDI as they have a very good reputation for quality and they ~~are~~ already are a big company. Given that Toyota are already a big company it depends on if they want to out compete competitors such as Vauxhall by reducing costs but with a trade off of reducing quality.



**ResultsPlus**  
Examiner Comments

Level 1, 1 mark.

The candidate demonstrates isolated elements of knowledge in the opening paragraph. The rest of the response, although using the context from the extracts, does not answer the question.



(c) Assess the likely impact of increased foreign direct investment (FDI) on the growth of businesses in the UK car industry.

(12)

Foreign direct investment (FDI) is when foreign firms invest into countries to set up a production plant to increase their level of output. Setting up a production plant in the UK would see a profit from interest in cars. However long term this would be lower as firms would see a reduction in costs due to not having to export for in costs.

Nissan have invested into a car plant in Sunderland, they have chosen the North East as the UK of wages and costs are the lowest in that location. This will help to reduce Nissan's costs which is beneficial as they can maximise profits which will lead to increases in output and sales. Also, foreign firms deciding to locate in the UK is beneficial for the UK economy as firms will invest into the UK economy in a increase in GDP within the country.

Increased levels of foreign direct investment on the growth of businesses in the UK car market will be beneficial for the market. ~~as it will result in~~  
~~the~~ This is due to foreign firms being able to

grow and increase their level of foreign investment in new markets. This is beneficial for firms as they will see an increase in sales which will increase their profits, as the foreign firms have decided to locate in the UK their costs are reduced rather than having to have higher costs if they were located abroad and had to ~~transport~~<sup>export</sup> their goods to one country.

As a result of increased foreign direct investment in the UK car industry this would result in consumers having a wider range of choice. This could be ~~some~~ some positive and negative for firms who operate within the UK car market, this is because firms would be able to grow their businesses into new markets as well as having a wider range of people that they could sell to within the market.



**ResultsPlus**  
Examiner Comments

Level 3, 6 marks.

The candidate explains the impact of FDI on the UK car industry. There are some developed chains of reasoning but the candidate has not provided a competing argument, therefore the mark is limited to 6.



Use paragraphs in responses to make it clear that you are making a new point, especially if it is a contrasting argument. 12 mark 'assess' questions require candidates to provide a supported judgement.

## Question 1 (d)

This question produced a variety of responses in terms of quality. There was some good understanding demonstrated of Porter's 5 forces but many candidates struggled to apply it to the context of the case study. Candidates demonstrated a higher level of understanding of 'differentiation' compared to 'cost leadership', with many candidates being unable to explain cost leadership and link this to lower manufacturing costs. This resulted in weaker analysis on this side of their argument, limiting the marks awarded. Some responses were too descriptive in their coverage of differentiation and moved away from the focus of the question, which limited marks. The stronger responses had a clear structure with a developed conclusion that came to a decision and used MOPS to make their judgement.



Porter's Strategic Matrix suggests that a car manufacturer can grow the sales of its electric cars by either focusing on differentiation or cost leadership.

(d) Evaluate these **two** options and recommend which one is the most important for the successful growth in sales of its electric cars.

(20)

Cost leadership is important for car manufacturers to grow the sales of its electric cars as the product is a new concept and may not be accessible to the majority. A focus on lowering cost per unit, through purchasing economies like 'resources from suppliers' enable the manufacturers to lower the prices of the product. As Battery electric vehicles have a growth of '39 315' in sales result in there being demand. And through lower prices it can appeal to a larger market causing sales to increase by significant amount.

On the other hand cost leadership may result in the ~~best~~ manufacturers ~~not being able to~~ fail to have business failure and would be considered impractical. As 'fluctuating exchange rates, rising energy costs' and ~~and~~

<sup>in</sup> ~~manufacter~~ factors such as Brexit may overall increase costs of resources and labour meaning it is not possible to be cost ~~cost~~ leaders as fixed costs rise and price of products have to be high in order to cover these costs. Failure to manage costs and lower them can lead to sacrifices in workforce or machinery leading to issues within the business. Decreasing sales as focus on lowering costs can cause <sup>opportunity</sup> tradeoff in <sup>of employees (skilled)</sup> suppliers limiting potential ~~sales~~ resources.

Differentiation focus can enable car manufacturers to increase sales growth of electric vehicles as there is high levels of technology involved meaning manufacturers are able to ensure higher quality through better technology machinery as well as innovation within the market. As in 2035 production of petrol and diesel cars are banned electric vehicles will become more popular as people want 'latest



number made'. This differentiation can enable an increased sale in the long term as they gain first move advantage after latest innovations or even a competitive advantage in terms of high quality. Increased brand value within the market attracts customer retention and increase sales turnover due to high sales.

On the other hand differentiation focus can lead to high levels of costs within the business resulting in the cost being passed on to consumers. As focusing on differentiation <sup>such as</sup> ~~may~~ quality may lead to implementing lean production, quality circles and market research for continuous improvement which is costly. As 'increasing house-hold costs' result in less disposable income for luxury goods and therefore limit potential sales.

In conclusion the car manufacturers in order to obtain their objective of increased growth in sales of its electric vehicles should focus on cost

Leadership - as this will enable to maximise sales due to lower prices being set appealing to consumers. As the market has high levels of established brands like Jaguar, and Mercedes cutting unit costs can enable an increased profit that can be reinvested into innovation such as improving SAT nav or the speed of the car ~~to~~, ~~more~~ design function. According to Porters matrix cost cutting is most suitable as the market grows due to the ban of <sup>production</sup> petrol car and the consumer income in cost of living crisis. This depends on another ~~two~~ <sup>how</sup> manufacturers can find suppliers without cutting corners as low price may influence low quality reducing sales and also may not be as effective.





Level 4, 17 marks.

The candidate, on the whole, writes effective chains of reasoning to argue both for differentiation and cost leadership. The candidate has used information from the extracts to support their arguments. A judgement has been made but requires further focus (MOPS) to achieve a higher level 4 mark.



To achieve level 4 in a 20 mark evaluation question, candidates should go beyond the points that have already been made. Use the MOPS framework to add arguments to support your decision.

## Question 2 (a)

Generally a poorly answered question, with few candidates having a good understanding of entrepreneurial roles. Some candidates confused entrepreneurial roles with actual job roles within German Automotive. Many candidates identified entrepreneurial characteristics rather than the roles required by the question. Stronger responses identified specific roles (setting up a business, running a business, risk-taking, innovation) and some development of points was evident. Again, like the previous 8 mark question, many candidates failed to offer any balance in their response so the higher levels were difficult to achieve.

- 2 (a) Using the data in Extracts D and E, assess how **two** entrepreneurial roles may have led to the success of German Automotive (GA).

(8)

Entrepreneur is someone that takes a risk by setting up their own company.

One entrepreneurial role that led to the success could be that he has taken a risk by starting 20% below main dealerships. This does at a risk as he is sacrificing a small amount of profit, but instead is gaining more demand as a result of the fact his service does not cost people's money. His risk taking has led to the success of GA because he has chosen to take a risk out of taking instead of losing demand.

A other role of an entrepreneur is to be innovative which he has done by advertising well. This led to a budget decrease in marketing by £13,000 which has helped him to invest in other areas such as growing his business from 3 to 10 employees. Therefore, his decision making and being innovative has led to him being successful with his audit service.



Level 2, 4 marks.

The response is relatively brief but has some accurate knowledge of entrepreneurial roles with an attempt at chains of reasoning.



When presenting two lines of argument, always provide balance to each for 8 mark questions.

- 2 (a) Using the data in Extracts D and E, assess how **two** entrepreneurial roles may have led to the success of German Automotive (GA).

(8)

An entrepreneurial role is a role/characteristic that leads to a successful business along with happy and satisfied customers.

One role Ian Essex has is a trained technician and mechanic. This means that he is a well knowledgeable entrepreneur in the car service industry. He has experience and confidence when it comes to his business which helps him ensure a first class service just like main dealers. This leads to him holding trust from his staff who repeat his work ethic as they have confidence in him to direct and manage them appropriately. Therefore staff can ~~be~~ work exceptionally to help lead to the success of GA.

Another role is the care shown by Ian Essex to customers. This means that he is willing to put his customers' feelings first which is shown through services such as a pick up and drop off of customer

can along with loan of company car  
for free. This leads to happy and trusting  
customers who are more likely to return  
to GA as employees go the extra mile  
to offer caring and a quality service. This  
leads to a increased success rate of GA.



**ResultsPlus**  
Examiner Comments

Level 1, 2 marks.

The response provides isolated knowledge/understanding. The candidate has not recognised specific entrepreneurial roles as commanded by the question.



**ResultsPlus**  
Examiner Tip

Be clear about key terms within the specification. In this case the difference between entrepreneurial roles and entrepreneurial characteristics.



## Question 2 (b)

Candidates had a mixed understanding of Corporate Social Responsibility (CSR). There were a large number of blank responses for this question and a number where there was no application to the business context. Some candidates focused on business ethics or new technology without linking to the context of the question. Most candidates demonstrated some understanding of CSR, but many drifted away from the actual question of how it influences decision making. Many candidates simply analysed the benefits and drawbacks of CSR, therefore not fully answering the question or achieving the required counterbalance for level 4. Many candidates failed to offer a supported judgement – a key requirement for a 10 mark question.

(b) Assess the likely importance of corporate social responsibility (CSR) as an influence on German Automotive's (GA) business decisions.

use of  
Share pts.  
(10)

Corporate social responsibility is how a business shows its ethics towards the world, and the decisions it makes which they are responsible for.

The maintenance of vehicles can be very damaging to the environment, so corporate social objectives are very important. One decision that German Automotives has made is to keep up with the growing demand of electric vehicles by investing in new technology and equipment over the next 5 years. This has shown that they are a business which is willing to keep up with social trends and will make business decisions accordingly so.



Level 1, 2 marks.

There are only isolated elements of knowledge and understanding shown.



To be fully balanced, a response needs to have complete chains of reasoning for both sides of an argument.

(b) Assess the likely importance of corporate social responsibility (CSR) as an influence on German Automotive's (GA) business decisions.

(10)

Corporate social responsibility refers to a company acknowledging that they have a responsibility to act ethically, and in this case support the right to decrease the impact of cars on the global emissions and climate change.

This may be extremely important to GA's business decisions, as they will need to invest in new technology and equipment to keep up with the growing demand of electric vehicles. If GA wish to survive this rising trend, they must learn to adapt to it, including learning to repair electric vehicles, as electric cars do become the norm and diesel and petrol step production. GA do not want to go out of production when the people come to them when needing to be fixed. So CSR may be a



crucial factor in decision making if GA wish to survive.

However, CSR may not be too important for GA, as they are just the repairers not manufacturers, so it is down to the car brands to design for the climate crisis, and fight to reduce emissions. It is not GA's responsibility to do so, so should not be a large part in decision making. At least not for a long time, as for now petrol and diesel cars are still heavily demanded and in need of repairs.

Overall I think CSR is something that should be considered during business decisions, as it is everyone's responsibility to battle climate change, and even though in the short term most of GA's cars will be petrol or diesel, there will still be electric especially in the long term, which GA must adopt to stay afloat.



Level 4, 7 marks.

There is accurate knowledge and understanding shown, an attempt to balance the response, with a focus on the actual question throughout. More coherent chains of reasoning, linked to CSR and better supported judgement required for higher marks

## Question 2 (c)

Most candidates attempted this question, although a few provided only short responses. Most candidates were able to gain knowledge marks for this question, based on their use of the acronym SPICED to help them. For some candidates this is all they did and there was no further analysis or link to the context, which limited marks to the lower mark bands. Weaker candidates failed to read the question fully and didn't recognise the change in exchange rates, so quite often the responses were generic and not linked to German Automotive. Some candidates thought German Automotive were based in Germany and this led to an incorrect response. Stronger candidates were able to select data from the graph and apply this to German Automotive and make the required link to profit. Supported judgements were limited but those that did achieve this often referred to the domestic sourcing of parts as their counterbalance.

(c) Using the data in Extracts F and G, assess the likely impact of movements in the UK exchange rate to German Automotive's (GA) profit.

i  
c  
d  
e  
c  
D  
(12)

As the pound appreciates against the euro, for example the rate from 0.82 to 0.53 at the end of 2022, imports become cheaper meaning that any <sup>such as motors</sup> genuine parts that GA import will cost less, therefore may decrease the variable cost per unit and increase their contribution per unit which in turn will increase profit. The ~~the~~ appreciation and ability to import cheaper may cause GA to purchase more genuine parts such as electrical equipment and may enable them to benefit from economies of scale, further increasing their profit which could lead to them decreasing the price of services and gain more sales which could again increase profit. However, a depreciation of the pound against the euro, as seen from 2020 to 2022 will increase the cost of imports of genuine parts which may increase the variable cost per unit and therefore decrease contribution per unit, this means that GA's profit will be negatively impacted as their profit margins have been lowered.

Overall, it is clear that movements in the UK exchange rate will affect GA's profit due to them importing genuine parts which are approved by manufacturers. Due to the saturated market GA operate in, keeping profit margins high is important in order to stay competitive so such a vulnerability to the UK exchange rate may prove costly to GA and its profit. Although it depends if they choose to use original equipment which will allow them to import less and therefore increase profit as they are less vulnerable to the exchange rate.



Level 4, 9 marks.

This response analyses the impact of movements (appreciation and depreciation) with UK exchange rates on the profit of the business and uses the context from the extracts. Chains of reasoning are developed and the candidate includes a conclusion to their response.



To be fully balanced, a response needs to have complete chains of reasoning for both sides of an argument



(c) Using the data in Extracts F and G, assess the likely impact of movements in the UK exchange rate to German Automotive's (GA) profit.

(12)

The impact of movements in the UK exchange rate to GA's profit is likely the same ~~to~~ as other mechanics profits which is significant. This is because they want to have a 'strong £ to €' so to have it always moving can affect them positively and negatively, ~~As~~<sup>as</sup> some 'original equipment parts' are 'made in the UK' to be of 'better quality' these can be affected.

However, when it comes to profit the ~~sub~~ exchange rates depend on where most profits would be made to enhance them further.

In conclusion, the impact of the moving in the UK exchange rate on GA's profits do depend on where they ~~make~~ would make their most profits as it's likely to impact that the most.



**ResultsPlus**  
Examiner Comments

This response scored 0 marks as although it uses information from the case study it does not address the question.

## Question 2 (d)

A highly accessible question with many candidates providing detailed responses, indicating that timing was not an issue on the paper. There was some good use of theory, with many candidates using motivation theorists to support their arguments. Knowledge/understanding of financial motivation was better than non-financial with many incorrectly stating examples of financial motivation (fringe benefits) as examples of non-financial motivation. Limited chains of reasoning and application prevented many candidates from achieving level 4 marks. The stronger candidates made good use of the extract material recognising the financial methods currently in use by German Automotive. Similar to Q01(d) many candidates went through the MOPS acronym verbatim at the end of the response resulting in descriptive recommendations that added little to the response.

Ian Essex identified two ways to improve employee performance at German Automotive (GA). He could either use financial or non-financial techniques.

(d) Evaluate these **two** options and recommend which one might best improve employee performance at German Automotive (GA).

(20)

using financial techniques to improve employee performance can lead to GA experiencing an increasingly motivated workforce - and GA may experience more vehicles ~~for~~ having parts fitted on a weekly basis, especially if GA used techniques such as piece rate pay (Taylor) on the amount of cars needed / commission - receiving a % of the value of the service plus a basic wage. Financial motivation would suit Taylor's scientific management as he believed that workers were motivated by pay. However methods such as piece rate pay may lead to quality of service declining as employees are hurried to get as many jobs done each day - This may lead to quality issues, such as faulty fitting tyres or loose parts, leading to a bad customer reputation, switching to



competitors, such as Kwikfit.

Non financial motives, such as consultation empowerment and delegation may help lead to improved employee performance, meeting Herz Maslow's higher order needs, such as esteem - employees receiving praise from owner, Ian Essex and self-actualisation, the chance to grow and achieve opportunities such as promotion from a vehicle technician to a service manager - which in turn would lead to improved employee performance as the desire to achieve these opportunities would lead to increased performance as employees want to impress the owner, Ian Essex.

However, Maslow's non financial motives are criticised for not recognising that every employee is different, and is motivated by different factors, so as non financial motives may work for those financially driven employees, those in search of career progression would miss out.

## non financial methods.

I believe that GA should implement non financial methods to improve employee performance, as in comparison to BMW'S Derby centre. GA already pays a higher rate to all levels of employees (bar CD unknown) from receptionists earning £2-3 more each hour to service managers at GA receiving a salary of £5000 more than BMW PLUS COMMISSION. Therefore, financial figures are already positive in comparison to local competitors, so in order to further improve employee performance, Essex should implement non-financial techniques, such as praise and recognition from Essex himself to further boost performance. In the short term, this method may be difficult to implement, as it may require a slight restructuring in the business culture to implement schemes, although if GA has a strong culture, there won't be a problem adjusting.

In the long term, employee performance will rise as employees strive to achieve career progression and praise from Essex, ~~but~~ therefore boasting performance.



Level 4, 18 marks.

The candidate, on the whole provides effective chains of reasoning for both financial and non-financial methods, supported by effective use of the context provided. A judgement is made but requires higher focus to achieve a higher level 4 mark.



Candidates should ensure arguments for each option are logical, have coherent chains of reasoning and are consistently supported by the context. Recommendations should be supported by quantitative or qualitative data.

## Paper Summary

Based on their performance on this paper, candidates are offered the following advice:

- Read the questions carefully and stick closely to the requirements of the question and apply these to the relevant business in the evidence.
- Manage your time effectively across the paper; do not write overly long answers to the 8 mark questions at the expense of the 12 mark and 20 mark questions.
- Pay attention to the command words and the respective mark allocations to be able to write appropriate and succinct responses.
- Do not write generic answers without context.
- Do not just quote from the extracts provided; the context needs to be 'used'.
- Remember that a conclusion needs to add something new, not just repeat what has already been said.
- Learn the specification terminology, specifically entrepreneurial roles and foreign direct investment.
- Note that glossaries of key terminology are a good way of securing knowledge at all stages of preparation for this paper.
- Make every effort to write legibly.
- Use extra paper if the space is not big enough for your response – do not write the response on another question page of the booklet.



## **Grade boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link:

<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

